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As shareholders and meat consumers you will naturally be concerned about the current controversy surrounding the processing and selling of unfit meats. J. M. Schneider, Limited joins you in your outrage at this public health hazard and regrets that the actions of a few, unscrupulous persons should reflect so badly on the entire meat industry.

In view of this, we want to reassure you of the high quality of every product bearing the Schneiders name and to guarantee that our 85-year reputation for fine quality meats will be scrupulously maintained.

We can make this guarantee for two reasons. First, all meat processed in our plants is continuously scrutinized by government appointed inspectors from the Federal Department of Agriculture. -These inspectors examine every phase of operation - slaughtering, processing, packaging, storing, and handling. Secondly, Schneiders own quality control systems have been established to guarantee that all products meet or exceed the government standards.

So, with Schneiders meats you get a double guarantee . . . the 'Canada Approved' stamp on the package and the Schneiders name.

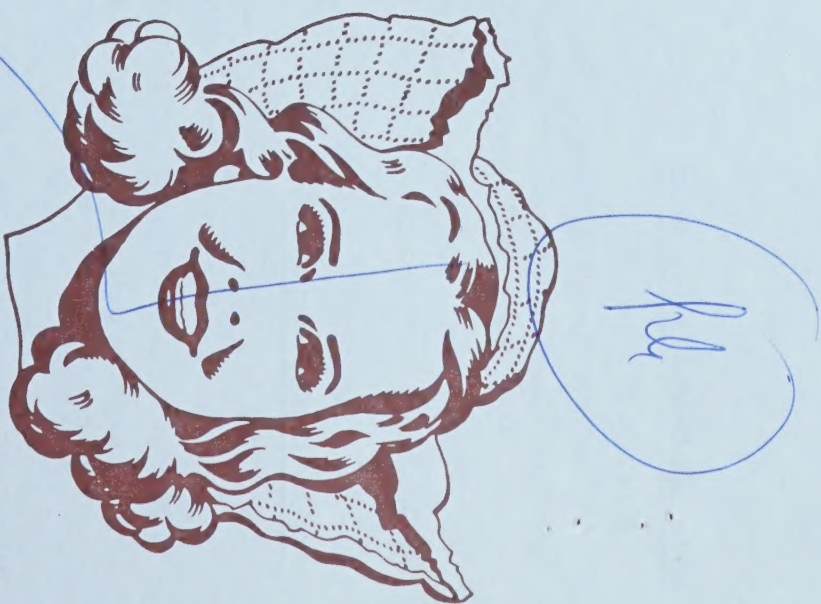
We recommend that all meat processed in Canada for sale to a second party be done in plants operating under the Federal Government Meat Inspection Act.

Fred P. Schneider

Chairman of the Board

2nd INTERIM REPORT

28 WEEKS ENDED
MAY 10, 1975



J. M. SCHNEIDER, LIMITED

J. M. SCHNEIDER, LIMITED
CONSOLIDATED STATEMENT OF EARNINGS
(Unaudited)

June, 1975
Kitchener, Ontario

	Twenty-Eight Weeks Ended		Twelve Weeks Ended	
	May 10 1975	May 11 1974	May 10 1975	May 11 1974
	(in thousands)		(in thousands)	
Sales	\$ 106,092	\$ 102,987	\$ 45,539	\$ 45,001
Earnings before income taxes	2,236	2,808	1,492	1,221
Income taxes	984	1,235	657	537
Net earnings	1,252	1,573	835	684
Earnings per share	46¢	58¢	31¢	25¢

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
(Unaudited)

	Twenty-Eight Weeks Ended		Twenty-Eight Weeks Ended	
	May 10 1975	May 11 1974	May 10 1975	May 11 1974
	(in thousands)		(in thousands)	
Working Capital Derived From				
Operations				
Net earnings for the period	\$ 1,252	\$ 1,573	\$ 1,252	\$ 1,573
Items not involving working capital				
Depreciation and amortization	1,046	976	1,046	976
	\$ 2,298	\$ 2,549	\$ 2,298	\$ 2,549
Decreased in other assets	17	10	17	10
	\$ 2,315	\$ 2,559	\$ 2,315	\$ 2,559
Working Capital Applied to				
Additions to fixed assets	\$ 1,481	\$ 2,016	\$ 1,481	\$ 2,016
Dividends, including tax paid on undistributed income	432	378	432	378
Decrease in non-current portion of long term debt	10	31	10	31
Excess of cost over book values at dates	—	9	—	9
of acquiring shares of subsidiary companies				
	\$ 1,923	\$ 2,434	\$ 1,923	\$ 2,434
INCREASE IN WORKING CAPITAL	\$ 392	\$ 125	\$ 392	\$ 125
WORKING CAPITAL AT BEGINNING OF PERIOD	11,581	9,713	11,581	9,713
WORKING CAPITAL AT END OF PERIOD	\$ 11,973	\$ 9,838	\$ 11,973	\$ 9,838

TO OUR SHAREHOLDERS:

We are pleased to report an improved second quarter of twelve weeks ended May 10, 1975, with net earnings up 22% over the same period a year ago as compared to our first quarter earnings which dropped 53% from the previous year. Consolidated results for the first twenty-eight weeks ended May 10, 1975, of our fiscal year show an increase of 3% in dollar sales and a decrease of 20% in net earnings compared to last year.

Improved earnings stemmed from positive actions taken to reduce fixed costs and from pricing which more adequately covered total costs. Net earnings are still inadequate to provide sufficient funds for improving productivity with known technology and available equipment. Present-day inflation aggravates this situation.

Pork is our most important raw material. Supplies for the year to date are down 13.5% with prices currently more than 60% over last year. This makes it difficult to achieve the volumes necessary for profitable operations, and to pass such added costs on in higher selling prices.

The last dividend declaration for the fiscal year payable October 15, will not be set until after our third quarter. With the July 15 payment of 4¢, dividends for the first three quarters of fiscal 1975 will total 20¢ compared to 21¢ for the same period last year.